

# EXHIBIT 1

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March 16, 2012

BY E-MAIL: [silverstarcoll@optonline.com](mailto:silverstarcoll@optonline.com)

Mr. Thomas Silver  
55 Paumanake Road  
Blue Point, NY 11715

Re:	Insurer:	Markel American Insurance Company
	Policy No.:	MHY00000143007
	Markel Claim No.:	11C3159
	Vessel:	1997 Formula 34 PC
	Our File:	TBA

Dear Mr. Silver:

This office represents Markel American Insurance Company ("MAIC") concerning your claim under the above insurance contract. Please direct all further communications concerning this matter to this office.

We understand that the insured vessel sustained damage during a storm. MAIC has paid you \$22,882.81 net of depreciation and the deductible with respect to the undisputed amount to repair the vessel. You claim that the vessel suffered a constructive total loss and MAIC disagrees.

Your rights and obligations in the event that you dispute MAIC's evaluation of a loss are set forth in the insurance contract. That contract states in pertinent part:

Loss Conditions

\* \* \*

d. Appraisal

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If you dispute our evaluation of the amount of the loss, then you must submit a written request for appraisal within one year of the date of loss. You and we will then each appoint and pay for a competent and disinterested appraiser. If the two appraisers cannot agree on the amount of the loss, the appraisers or a judge of the local court of record will select an umpire who will decide any differences. The expense of the umpire and all other expenses of the appraisal will be shared equally by you and us. An award in writing by any two such persons will determine the amount of your loss. You and we will be bound by that amount.

Appraisal is not available where there is a dispute as to the existence of coverage. Nothing herein will prejudice or in any way impact our right to contest coverage and to bring suit in a court of competent jurisdiction.

MAIC hereby names Ronald C. Alcus, Jr. as its appraiser. Please have your appraiser contact Mr. Alcus. The contact information for Mr. Alcus is:

Ronald C. Alcus, Jr.  
Alcus Marine Technical Services Inc.  
P.O. Box 700  
Moriches, New York 11955  
Telephone: 631-874-1000  
[alcusmt@aol.com](mailto:alcusmt@aol.com)

General Condition 8 of the insurance contract states:

Legal Action Against Us

- a. No suit or action may be brought against us unless there has been full compliance with all terms of this policy.

\* \* \*

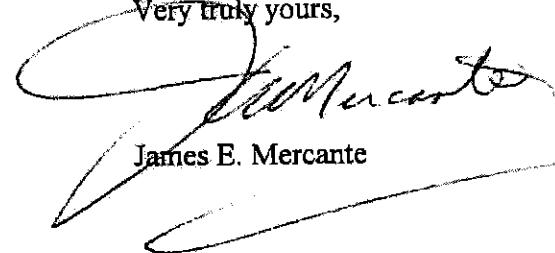
The foregoing is without prejudice to any rights which may have heretofore accrued to you or to MAIC, does not waive any of the terms, conditions or defenses of the policy or at law and does not extend the time period within which you are required to comply with all policy conditions.

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Please direct all further communications concerning this matter to this office.

Very truly yours,



James E. Mercante

GAG/cd